

### REMARKS

The comments of the applicant below are each preceded by related comments of the examiner (in small, bold type).

#### ***Oath/Declaration***

**A new oath or declaration is required because the current declaration is not signed by either applicant. The wording of an oath or declaration cannot be amended. If the wording is not correct or if all of the required affirmations have not been made or if it has not been properly subscribed to, a new oath or declaration is required. The new oath or declaration must properly identify the application of which it is to form a part, preferably by application number and filing date in the body of the oath or declaration. See MPEP §~ 602.01 and 602.02.**

**A declaration should be signed and dated.**

The applicant would be happy to comply but does not understand why the signed declarations filed on December 8, 2000, copies attached, are considered defective.

**Claim 29 is objected to because of the following informalities: clauses should end with semicolons instead of commas (lines 4, 6, 7, 8,10, and 13 of claim 29). Appropriate correction is required.**

The claim has been amended.

**Claims 1-15 and 26-28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ward ("An Overview of Limited Liability Companies") in view of Hitchings (U.S. Patent Application Publication 2002/0 143673), and official notice.**

**As per claim 1, Ward discloses acquiring one or more properties from one or more investors in exchange for an interest in an investment entity, and discloses tax advantages of such investment entities (LLC's).**

The applicant does not dispute that Ward describes this feature of an LLC.

**Hitchings discloses using a machine to (e) identify properties appropriate for disposition (Abstract; paragraphs 3-5 and 11-17); and exchanging at least one of the identified properties that falls outside of an investment profile for at least one other property in a tax-advantaged exchange (Abstract; paragraphs 3-5 and 11-17). Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to use a machine to identify properties appropriate for disposition, and**

**exchange at least one such property that falls outside of an investment profile for at least one other property in a tax-advantaged exchange, ...**

The applicant does not dispute that Hitchings describes using a machine to identify assets for disposition, and exchanging an asset that falls outside of an asset characteristic for another asset in a like kind exchange.

**Official notice is taken that the remainder of the limitations of claim 1 are also well-known, and describe routine actions of businesses and property managers/developers: managers/developers routinely enhance the value of property by physical improvements; redeeming an interest of at least one of the investors in an investment entity at a value based on the current value is, for example, what investors in mutual funds routinely do;**

The applicant does not dispute that the concept, taken by itself, of enhancing the value of an asset by physical improvements, was known.

The applicant also does not dispute that the concept, taken by itself, of redeeming an interest of an investor at a value based on the current value of the interest was known.

**using a machine to (a) track each investor's basis in an investment entity, allocate each investor's basis in his interest in the investment entity among properties acquired by the investment entity, and (c) track the allocated basis of each investor as a result of a succession of transactions is what mutual funds do. (At least, it is presumed by Examiner that late-20th century mutual funds with billions of dollars in assets, thousand of investors, and many complicated transactions, used machines [computers] well before Applicants' filing date, rather than employing large numbers of scriveners to make the necessary calculations on paper with quill pens.)**

The applicant does not agree with the official notice of the examiner, questions the examiner's broad assertions, and asks the examiner to provide specific proof that supports them in order to give the applicant a chance to rebut them.

**Hence, it would have been obvious to one of ordinary skill in the art of finance at the time of applicant's invention to use a machine to carry out these steps, for the obvious advantage of efficiently carrying out the necessary functions for tracking investments and returning appropriate sums to investors in the forms of dividends, redemptions of shares, etc.**

The examiner has asserted that claim 1, for example, is not patentable because it would have been obvious from Ward, Hitchings, and "official notice". The examiner cites two different sources that are said to show, individually, some of the elements recited in claim 1. Lacking a reference that shows the remaining elements, she relies on "official notice" to find that they must have existed. The examiner's position suffers from two significant flaws.

One flaw is that the examiner simply has not proven that every element, even taken one by one, existed in various places in the prior art. She has placed too much reliance on official notice for that.

The second flaw arises from the requirement of the law that if all of the elements of claim 1 are not found in a single reference, there must have been some suggestion in the prior art to combine the elements that are found in different references.

Here, surprisingly, the examiner has not even alleged that such a suggestion existed let alone explaining the nature of the suggestion.

The applicant asks the examiner to withdraw the rejection or provide proof of the existence of all of the elements of claim 1 plus an explanation of where the suggestion to combine them is found.

In fact, the invention recited in claim 1 as a whole would not have been obvious to a person of skill in the field at the time of the invention.

Among other things, no one ever thought to combine the elements as set forth in claim 1 even though there were advantages to be gained by doing so. For example, the invention of claim 1 enables multiple investors, who under previous systems operated individually, to cooperate to achieve economies of scale that produce good returns. A particular investor in a property can continue his investment position within the umbrella of the investment entity while still exiting easily from that position later at the then fair market value. The invention of claim 1 provides a planned and disciplined approach to minimizing economic risks, maximizing tax advantages, and permitting entry and exit of investors without jeopardizing the investment entity or rendering the entity or the investors unable to comply with the tax laws. Efficient and cost-effective tax basis

tracking and reporting are achieved for each investor, for each contribution of each investor, over multiple periods, allocated among assets in valuation-period layers, as to each interest in the investment entity and, for purposes of allocations, its underlying assets.

No one before the applicant had understood that these benefits could be achieved let alone the combination of elements needed to achieve them.

**Claims 16-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ward ("An Overview of Limited Liability Companies") in view of Hitchings (U.S. Patent Application Publication 2002/0143673), and official notice. Claim 16 is essentially parallel to claim 1 (which does not expressly disclose a management entity, but such an entity is inherent from the disclosed actions, which constitute management). Also, it is well known to record and analyze investments: any sort of investment entity run with very minimal competence does this, and it is typically done with the use of a machine (computer).**

Without conceding that claim 16 and claim 1 are "essentially parallel", the applicant notes that claim 16 is patentable for at least some of the same reasons as claim 1.

**Claim 29 is rejected under 35 U.S.C. 103(a) as being unpatentable over Ward ("An Overview of Limited Liability Companies") in view of Hitchings (U.S. Patent Application Publication 2002/0143673), and official notice. Claim 29 is essentially parallel to claim 1 with claim 8 included, and rejected on essentially the same grounds set forth above with regard to those claims.**

The applicant respectfully disagrees with the examiner's assertion that claim 29 is "essentially parallel to claim 1 with claim 8" and asks the examiner to explain where all of the specific elements of claim 29 are found in the references and how the claim as a whole would have been obvious from the references.

Claim 29 is patentable for at least some of the same reasons as claims 1 and 16.

The applicant notes that an Information Disclosure Statement was filed on September 25, 2003, and has not yet received the initialed PTO Form-1449 from the examiner. The application respectfully requests that the examiner review said references and, if applicable, return the initialed PTO Form-1449. Copies of the Information Disclosure Statement, PTO Form-1449 and cited references are attached herewith.

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Serial No. : 09/610,828  
Filed : July 6, 2000  
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Attorney's Docket No.: 12016-002001

Canceled claims, if any, have been canceled without prejudice or disclaimer.

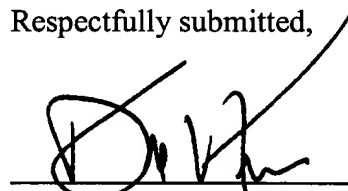
Any circumstance in which the applicant has (a) addressed certain comments of the examiner does not mean that the applicant concedes other comments of the examiner, (b) made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended a claim does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

Enclosed is a \$510.00 check for the Petition for Extension of Time fee. Please apply any other charges or credits to deposit account 06-1050, reference 12016-002001.

Respectfully submitted,

Date: \_\_\_\_\_

7/28/15



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